

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
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**CONTACT: RICHARD MILLS
202-395-3230**

**Statement of Richard Mills
USTR Spokesman**

Re: EU proposed retaliation list in FSC dispute

- We understand that the WTO today has authorized a list of products the EU may retaliate on regarding the FSC/ETI dispute in the amount of four billion dollars.
- This is part of the process and the EC is acting within their rights. As we've made clear, the United States intends to comply with our international obligations, we are continuing to consult with the EC, and the Executive branch is working with Congress to comply with these obligations.
- Congress is increasingly focused on the importance of the FSC/ETI issue, and both houses of Congress are working to address the FSC/ETI issue.
- Retaliation is a double edged sword with economic consequences on both sides of the Atlantic. The EC has indicated that they would prefer compliance over retaliation. We prefer this as well because U.S. exporters, including European firms with operations in the U.S., and European consumers will bear the brunt of any retaliation.